



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-533-872]

#### Finished Carbon Steel Flanges from India: Preliminary Results of Countervailing Duty Administrative Review; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that Norma (India) Ltd. (Norma) and R.N. Gupta & Co. Ltd. (RNG) received countervailable subsidies during the period of review (POR), January 1, 2019, through December 31, 2019. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Moses Song or Natasia Harrison, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7885 or (202) 482-1240, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

On August 24, 2017, Commerce published in the *Federal Register* the countervailing duty (CVD) order on finished carbon steel flanges (steel flanges) from India.<sup>1</sup> On August 4, 2020, Commerce published a notice of opportunity to request an administrative review of the *Order*.<sup>2</sup> On August 31, 2020, Weldbend Corporation and Boltex Mfg. Co., L.P. (the petitioners), requested a review of 38 producers and/or exporters of subject merchandise.<sup>3</sup> Further, between

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<sup>1</sup> See *Finished Carbon Steel Flanges from India: Countervailing Duty Order*, 82 FR 40138 (August 24, 2017) (*Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 85 FR 47167 (August 4, 2020).

<sup>3</sup> See Petitioners' Letter, "Finished Carbon Steel Flanges from India: Request for Administrative Review," dated August 31, 2020.

August 27, 2020, and August 31, 2020, Norma,<sup>4</sup> RNG, Bebitz Flanges Works Private Limited, Munish Forge Private Limited, Balkrishna Steel Forge Pvt. Ltd., Jai Auto Pvt. Ltd., and Aditya Forge Limited, foreign producers or exporters of subject merchandise, each requested a review of the *Order* with respect to themselves.<sup>5</sup> On October 6, 2020, Commerce published a notice of initiation of an administrative review of the *Order*.<sup>6</sup> Based on our examination of the Customs and Border Protection (CBP) data, on November 20, 2020, we selected Norma and RNG, the two largest producers and/or exporters, as mandatory respondents.<sup>7</sup>

On April 19, 2021, Commerce extended the time period for issuing these preliminary results by 120 days, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), to August 31, 2021.<sup>8</sup> For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>9</sup> A list of topics discussed in the Preliminary Decision Memorandum is included at Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>.

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<sup>4</sup> We note that Norma requested a review of itself and its affiliates USK Export Private Limited; Uma Shanker Khandelwal and Co.; and Bansidhar Chiranjilal.

<sup>5</sup> *See* Norma's Letter, "Finished Carbon Steel Flanges from India: Request for entry of appearance in the Countervailing Duty Administrative Review for Norma (India) Limited, USK Export Private Limited, Umashanker Khandelwal and Co. and Bansidhar Chiranjilal.," dated August 27, 2020; *see also* RNG's Letter, "Finished Carbon Steel Flanges from India: Request for Countervailing Duty Administrative Review," August 28, 2020; Bebitz Flanges Works Private Limited's Letter, "Finished Carbon Steel Flanges from India: Requests for Administrative Review," dated August 28, 2020; Munish Forge Private Limited's Letter, "Finished Carbon Steel Flanges from India: Request for Counter Vailing Duty Administrative Review," dated August 27, 2020; Balkrishna Steel Forge Pvt. Ltd.'s Letter, "Carbon Steel Flanges from India, Antidumping & Countervailing Duty," dated August 31, 2020; Jai Auto Pvt. Ltd.'s Letter, "Request for review of Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India," dated August 31, 2020; and Aditya Forge Limited's Letter, "Request for review of Countervailing Duty Administrative Review of Finished Carbon steel Flanges from India," dated August 31, 2020.

<sup>6</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 63081, 63092-63093 (October 6, 2020).

<sup>7</sup> *See* Memorandum, "Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India: Respondent Selection," dated November 20, 2020.

<sup>8</sup> *See* Memorandum, "Finished Carbon Steel Flanges from India: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2019," dated April 19, 2021.

<sup>9</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review of Finished Carbon Steel Flanges from India; 2019," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

### Scope of the Order

The merchandise covered by the *Order* is steel flanges. For a complete description of the scope of the *Order*, see the Preliminary Decision Memorandum.

### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>10</sup>

Commerce notes that, in making these findings, it relied, in part, on facts available and, because it finds that a respondent did not act to the best of its ability to respond to Commerce's requests for information, Commerce drew an adverse inference where appropriate in selecting from among the facts otherwise available.<sup>11</sup> For further information, see "Use of Facts Otherwise Available and Adverse Inferences" in the Preliminary Decision Memorandum.

### Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Norma and RNG were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Norma and RNG using publicly ranged sales data submitted by the respondents.<sup>12</sup>

### Preliminary Results of Review

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<sup>10</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

<sup>11</sup> See sections 776(a) and (b) of the Act.

<sup>12</sup> See Memorandum, "Preliminary Results Calculation of Subsidy Rate for Non-Selected Companies Under Review," dated August 31, 2021.

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for Norma and RNG. For the period January 1, 2019, through December 31, 2019, we preliminarily determine that the following net countervailable subsidy rates exist:

<b>Company</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
Norma (India) Ltd. <sup>13</sup>	5.25
R.N. Gupta & Co. Ltd.	5.51
Companies Not Selected for Individual Examination ( <i>see</i> Appendix II)	5.41

#### Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and CBP shall assess, CVDs on all appropriate entries covered by this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

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<sup>13</sup> In the investigation, Commerce found the following companies to be cross-owned with Norma (India) Ltd.: USK Export Private Limited; Uma Shanker Khandelwal and Co.; and Bansidhar Chiranjilal. *See* Preliminary Decision Memorandum at 6; this finding is unchanged in these preliminary results. This rate applies to all cross-owned companies.

## Cash Deposit Rate

Pursuant to section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated CVDs in the amount indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated CVDs at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit instructions, when imposed, shall remain in effect until further notice.

## Disclosure and Public Comment

We will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>14</sup> Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within seven days<sup>15</sup> after the time limit for filing case briefs.<sup>16</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.<sup>17</sup> Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>18</sup>

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance using Enforcement and Compliance's ACCESS system within 30 days of the publication of this notice.<sup>19</sup> Requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants, whether any

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<sup>14</sup> See 19 CFR 351.224(b).

<sup>15</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020) (*Temporary Rule*).

<sup>16</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1); see also 19 CFR 351.303 (for general filing requirements).

<sup>17</sup> See 19 CFR 351.309(c)(2) and 351.309(d)(2).

<sup>18</sup> See *Temporary Rule*.

<sup>19</sup> See 19 CFR 351.310(c).

participant is a foreign national; and (3) a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined.<sup>20</sup> Issues addressed during the hearing will be limited to those raised in the respective case and rebuttal briefs.<sup>21</sup> Parties should confirm by telephone the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after publication of these preliminary results.

#### Notification to Interested Parties

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213.

Dated: August 31, 2021.

James Maeder,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations.

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<sup>20</sup> See 19 CFR 351.310.

<sup>21</sup> See 19 CFR 351.310(c).

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Period of Review
- V. Subsidies Valuation Information
- VI. Benchmark Interest Rates and Discount Rates
- VII. Use of Facts Otherwise Available and Application of Adverse Inferences
- VIII. Analysis of Programs
- IX. Rate for Non-Examined Companies
- X. Recommendation

## **Appendix II**

### **Companies Not Selected for Individual Examination**

1. Adinath International
2. Aditya Forge Limited
3. Allena Group
4. Alloyed Steel
5. Balkrishna Steel Forge Pvt. Ltd.
6. Bebitz Flanges Works Private Limited
7. C.D. Industries
8. CHW Forge
9. CHW Forge Pvt. Ltd.
10. Citizen Metal Depot
11. Corum Flange
12. DN Forge Industries
13. Echjay Forgings Limited
14. Falcon Valves and Flanges Private Limited
15. Heubach International
16. Hindon Forge Pvt. Ltd.
17. Jai Auto Pvt. Ltd.
18. Kinnari Steel Corporation
19. Mascot Metal Manufacturers
20. M F Rings and Bearing Races Ltd.
21. Munish Forge Private Limited
22. OM Exports
23. Punjab Steel Works
24. Raaj Sagar Steels
25. Ravi Ratan Metal Industries
26. R. D. Forge
27. Rolex Fittings India Pvt. Ltd.
28. Rollwell Forge Engineering Components and Flanges
29. Rollwell Forge Pvt. Ltd.
30. SHM (ShinHeung Machinery)
31. Siddhagiri Metal & Tubes
32. Sizer India
33. Steel Shape India
34. Sudhir Forgings Pvt. Ltd.
35. Tirupati Forge Pvt. Ltd.
36. Umashanker Khandelwal Forging Limited

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